About Duke Energy

Duke Energy Corp

- Third largest electric utility in U.S.
- Approximately 39,300 MW
- $22BN market cap as of 12/31/09
- Corp Credit Ratings: A- / Baa2
- ~75% Regulated / 25% Non-Reg.
- Operating revenues $12.7 billion as of 12/31/09
- Total assets $57 billion
- Employees ~18,680

US Franchised Elec & Gas (Local Regulated Utilities)

- 27,000 MW Regulated Gen.
- 5-state territory; 50,000 sq. mi.
  - SE and MW US
- 4 MM retail elec. Customers = 11 MM people
- 500,000 retail gas customers

Commercial Power

- Midwest Generation
  - ~4,000 MW Coal
  - ~3,600 MW Gas
- Renewable Generation
  - Wind: 735 MW at 12/31/09
  - Solar & Biomass

International

- Approximately 4,000 MW
- Central & South America
  - 72% Hydro, highly contracted
- Investment in Nat'l Methanol JV
- New Chinese alliances

NYSE: DUK
www.duke-energy.com
CO₂ emissions declined from 108 million tons in 2008 to 94 million tons in 2009 due to reduced demand/use of coal generation and increased nuclear and hydro generation.

Almost 40 percent of the electricity generated in 2009 was from carbon-free sources.

Duke Energy’s 2009 CO₂ Emissions Intensity - .59
Building a Bridge to a Low-Carbon Economy

- De-carbonize our fleet: portfolio approach
  - Expanding Renewable Energy Business
  - Building Gas Generation
  - Building Cleaner Coal Plants
  - Planning for New Nuclear
  - Modernize Electric Infrastructure/Smart grid

- Make our communities the most energy efficient in the world
  - Develop and advance new regulatory policies for energy efficiency and lower emissions
  - Empowered and informed consumers
  - Intelligent electrification
## Conventional and Renewables: Not Either/Or

<table>
<thead>
<tr>
<th>Generation Option</th>
<th>Affordable</th>
<th>Reliable</th>
<th>CO\textsubscript{2} Emissions</th>
<th>Water Required</th>
<th>Waste Produced</th>
<th>Land Required</th>
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<td>Supercritical Pulverized</td>
<td>More Favorable</td>
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<td>Integrated Gasification</td>
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Observations

- “Lower carbon” before “low carbon”
- Markets – and investors – hate uncertainty
  - Price on carbon
  - Long-term regulatory policy / incentives
- Be careful what you solve for; avoid the ‘fix that fails’
  - Balance low carbon with economic recovery/growth
  - Take a systems / sustainable view
- No supply “silver bullet”
  - A portfolio of options
- Context matters
- Global R&D
- New players emerging
Lessons Learned on Financial Mechanisms

- Strive for simplicity and transparency
- Speed and duration matter
- Use all policy levers – but recognize that there are other ways to “pull” action
  - Codes and standards
  - Supply chain
- Ensure alignment – beyond the obvious
  - Federal, state, local
  - Energy, environment, tax, legal, etc
- Recognize differences
  - Need different policies/incentives at different stages of development
  - What works in one country (or state, province, region) may not work in another
- Incentives vs. long-term subsidies